Record Request AG 1-1

Request:

To the extent possible, please provide the complete table of contents and the results of any surveys or studies undertaken in the benchmarking of reliability from the Canadian Electrical Association, PA Consulting, Edison Electrical Institute (EEI), and IEEE.

Response:

Attachment 1 contains the two, non-confidential, 2000 Annual Service Continuity Reports from the Canadian Electricity Association. The first contains the results for the Canadian and International Companies that participated in the annual survey. National Grid participates in this study as a single entity rather than as separate operating Companies. The individual companies are not identified in the charts and tables, but National Grid's position is noted. The second report contains data for the distribution systems in Australia, New Zealand and the United Kingdom, with comparisons to the Canadian and International averages of the first report.

Attachment 2 contains the pertinent pages from the second draft of the PA Consulting Group's Reliability Best practices Report. National Grid has received the results pertaining to investor-owned utilities. Each section of the report has its own table of contents and the ones for those that have been received are included. Please note that the participating companies are only identified by ID numbers and that National Grid's number is 60, with an alternative number of 171. National Grid participates in this study as a single entity rather than as separate operating Companies.

Attachment 3 contains the confidential EEI 2000 Reliability Report. Please note that the participating companies are only identified by ID numbers and that National Grid's number is 43. National Grid participates in this study as a single entity rather than as separate operating Companies.

The IEEE does not perform benchmarking studies or surveys on the reliability results of utilities.

Prepared by or under the supervision of: J. Bouford

Record Request AG 1-2

Request:

In the hypothetical event that the Department does not approve the Companies' alternative proposal, for what categories of costs would the Companies seek to recover as exogenous costs.

Response:

The Companies Rate Plan Settlement approved in D.T.E. 99-47 ("Rate Plan Settlement") acknowledges that the Original Plan would be subject to modification after the Department issued a generic order on service quality ("SQ") standards. It requires the Parties to work together to modify the Original Plan. In addition, the Rate Plan Settlement acknowledges that the modified SQ standards are likely to impact the Companies financially. Thus, the Rate Plan Settlement provides that if the revised SQ standards would result in a significant difference in the balance of risks, costs, and benefits set forth in the Original Plan, the quantified differences shall be recognized as an Exogenous Factor, for which the Companies would be entitled to reimbursement.

Specifically, the following is an excerpt from pp. 26 & 27 of the Rate Plan Settlement:

> "(T)he signatories agree that Mass. Electric's Service Quality Plan shall be subject to modification if a generic performance based program is authorized or required by the Department. Accordingly, Mass. Electric shall implement revised performance standards to closely align with any generic performance based program that may be authorized or required by the Department during the Rate Period. Mass. Electric will consult with the parties prior to filing any such revision to this Plan and the parties agree that they will work together to develop a proposal before the Department. If the revised standards would result in a significant difference in the balance of risks, costs and benefits set forth in [the Original SQ Plan], the quantified differences shall be recognized as an Exogenous Factor . . . ."

Pursuant to these provisions, the Companies would seek to recover the following effects of this Exogenous Factor: the annual differences between the revenues that would have been collected or the penalties that would have been paid under the Original Plan and the penalties that would be due under the Department's Revised Compliance Plan.

Prepared by or under the supervision of: R.H. McLaren

Record Request AG 1-3

Request:

In the hypothetical event that the Department approves the Companies' alternative proposal but chooses to review it at some point in the future and then substitutes it with yet another type of service quality plan, would the Companies, as part of their alternative proposal, be seeking exogenous costs for that change?

If yes, would these costs be related to the difference between penalties and incentives?

Response:

If the Department approves the Alternative Proposal, reviews it after 2004 and then substitutes it with yet another service quality plan, the Companies would not seek to recover the effects of an Exogenous Factor resulting from such change.

Response prepared by or under the supervision of: R.H. McLaren

Record Request AG 1-4

Request:

Please provide a copy of the Company's old Outage Reporting Protocol (ORP) in place prior to the current ORP.

Response:

The ORP is provided as Attachment 1. Also, the exclusion criteria in use by the Companies prior to the current ORP can be found in Book 2 of the December 14 filing on page 89.

Response prepared by or under the supervision of: J. Bouford

Record Request AG 1-5

Request:

In the hypothetical event that the Department does approve the use of the original plan for year 2000 but does not approve the Companies' proposal to offset those incentives earned with any penalty for 2001, instead requiring the Company to carry that through the end of the rate index plan in 2009, what specific carrying charge rate would the Company seek?

Response:

In the hypothetical event that the Companies could not use the net incentive earned in 2000 as an offset to the net penalty incurred in 2001, and rather was required to delay recovery of the net incentive until after the end of the rate index period, the Companies would likely propose using the interest rate on customer deposits for the years 2001 through 2009 as the carrying charge to be applied to the net incentive. This rate is based on the average annual rate paid on two-year United States Treasury notes and is the same rate used in the Companies' various reconciliation mechanisms that include an interest adjustment (standard offer service, default service, and transition).

Prepared by or under the supervision of: R.H. McLaren

Record Request AG 1-7

Request:

Please provide a copy of the FERC Form 1 data for the average number of customers for each company for the years 1995 through 2001.

Response:

Attachment 1 hereto contains a photocopy of the respective Form 1 pages for Massachusetts Electric, Eastern Edison and Nantucket Electric reflecting the data for the average number of residential customers for each of the years 1995 through 2001. Please note however, that the Form 1 page for 2001 is a "draft" copy since the filing has not yet occurred.

Prepared by or under the supervision of: R.H. McLaren

Record Request AG 1-8

Request:

Please update the response to Data Request AG 1-6 to explain that the Companies changed the definition of operating areas based on the Department's December 5, 2001 letter to the Companies.

Response:

Attachment 1 hereto contains a revised response to Data Request AG 1-6, reflecting the fact that the Companies changed the definition of operating areas as directed by the Department pursuant to its letter of December 5, 2001 to the Companies.

A copy of the December 5, 2001 letter to the Companies is included as Attachment 2.

Prepared by or under the supervision of: R.H. McLaren

Data Request AG 1-6 - Revised

Request:

Please explain any and all computational or methodological differences in the methods used to collect and compile data and the actual data used in developing the service quality standards included in the Companies' "Revised Service Quality Plan" filed on October 29, 2001 and those used in developing the standards included in the proposed "Alternative Plans" and the "Guideline SQ Plans" contained in the Companies' December 14, Filing (Attachments 6, 7, 15 and 16). Include an explanation for the differences and why one method or data source or period was used in one and not another. This response should address explicitly the differences in the historical reliability data.

Response:

The October 29, 2001 "Revised Service Quality Plan" reflects the combined data of Massachusetts Electric and Nantucket Electric. The "Alternative Plans" and the "Guidelines SQ Plans" of the December 14 filing separate the Massachusetts Electric and Nantucket Electric data. In addition, the various "Plans" utilize differing number of years in the test period for determining the benchmarks.

The October 29 "Revised Service Quality Plan," to be implemented on January 1, 2002, required, for all but the reliability indices, the most recent 10 years of data, prior to the year being evaluated, to be used to establish the mean and standard deviation values. When less than ten years of data are available, the available data is to be utilized, with additional year's data added to the computation until 10 years of data are available. The most recent six years of data, 1996 - 2001, conforming to the initial five-year period of the Companies' "Settlement Agreement" SQ Plan plus one year of data under that plan was proposed for the initial reliability calculations.

The December 14 "Alternative Plans," to be implemented on January 1, 2002, required, for all but the reliability indices, the most recent 10 years of data, prior to the year being evaluated, to be used to establish the mean and standard deviation values. When less than ten years of data are available, the available data is to be utilized, with additional year's data added to the computation until 10 years of data are available. The initial period of reliability data to be used was the five years prior to the start of the service quality plan. This was defined by Department staff as being 1995 - 1999.

The December 14 "Guidelines SQ Plans," to be implemented on January 1, 2001, required, for all but the reliability indices, the most recent 10 years of data, prior to the start of the SQ Plan, to be used to establish the mean and standard deviation values. When less than ten years of data are available, the available data is to be utilized, with additional year's data added to the computation until 10 years of data are available. The period of reliability data to be used was the five years prior to the start of the service quality plan. This was defined by the Department's staff as being 1995 - 1999.

The definition of "Operating Area", used in the determination of "Excludable Major Events", was changed by the Department in its December 5, 2001 letter to the Companies. See item 4 on page 7 of the Department's December 5th letter.

The number of Lost Work Time Accidents for 2000 was changed to 28 in the December 14th filing, from 25 in the October 29th filing, due to an updating of the historical records.

There are no methodological or computational differences, other than the differences noted above.

Prepared by or under the supervision of: R.H. McLaren

Record Request AG 1-9

Request:

Please revise the response to Data Request AG 1-5 to reflect the correct reference to Nantucket Electric instead of Narragansett Electric.

Response:

The response to AG 1-5 should have read:

The August 8, 2001 “Compliance Filing” calculations for the means and standard deviations reflect the combined data of Massachusetts Electric and Nantucket Electric. The calculations for the means and standard deviations in the “Alternative Plans” and the “Guidelines SQ Plans” of the December 14 filing separate the Massachusetts Electric and Nantucket Electric data. The various “Plans” utilize differing number of years in the test period for determining the benchmarks.

There are no methodological or computational differences, other than the above differences in the number of years in the test period and the separation of the two Companies’ data.

Prepared by or under the supervision of: R.H. McLaren

Record Request AG 1-12

Request:

Please provide information on the contractual relationship that the Companies have with the outside call centers, and how the Companies monitor and test the outside call centers.

Response:

21st Century is under contract to provide Automated Voice Response (VRU) services for the Company. 21st Century is equipped to handle 25,000 calls per hour. Under the contract, the Company pays a monthly fee plus a per-minute charge for each call.

This service is used primarily during a period of high customer outage calls. At times of high call volume, *overflow* outage calls are automatically directed to 21st Century's VRU. The calls are processed and the results are routed back to the Company's Customer Information System, for processing to our Automated Restoration System.

The system was tested at installation and is retested when updates are made to the system.

The Company has computer systems that monitor the utilization of the service and the transmission of transactions.

Prepared by or under the supervision of: M. Sorgman